

**Dated**

**2024**

**RATHBONES GROUP PLC**

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**RULES OF THE  
RATHBONES GROUP PLC  
PERFORMANCE SHARE  
PLAN**

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Adopted by the shareholders of the Company in general meeting on [DATE]

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## 1 Definitions and interpretation

1.1 In this Plan, unless the context otherwise requires:

**Adoption Date** means the day on which the Plan is adopted by the Company in general meeting

**Award** means either a Performance Award or a Deferred Award granted under this Plan

**Award Acceptance** means an acceptance signed by the Participant indicating that they agree to the Rules in accordance with Rule 10.3 (*Acceptance of Award*)

**Bonus** means the amount determined by the Committee pursuant to Rule 3.1(a) to which a Participant may be entitled in respect of a Financial Year under the Bonus Plan, to be delivered in the form of a Cash Bonus and, if the Committee so determines under Rule 2.5 (*Method of satisfying Bonus*), a Deferred Award

**Bonus Plan** means Part A of this Plan, subject to the Rules in Part C and Part D of this Plan

**Bonus Performance Conditions** means the performance conditions imposed in relation to a Bonus pursuant to Rule 2.4 (*Bonus Performance Conditions*)

**Board** means the board of directors of the Company or a duly authorised committee of the Board (which includes the Committee) or a duly authorised person

**Cash Bonus** means the part of a Bonus delivered in the form of a cash payment pursuant to Rule 3.2 (*Payment of Cash Bonus*)

**Committee** means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 17 (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs

**Company** means Rathbones Group Plc (registered in England and Wales with registered number 01000403)

**Conditional Award** means a conditional right to acquire Shares granted under the Plan which is designated as a conditional award by the Committee under Rule 4.3 (*Type of Deferred Award*) or Rule 7.2 (*Type of Performance Award*)

**Control** means control within the meaning of section 995 of the Income Tax Act 2007 and **Controlled** will be construed accordingly

**Dealing Day** means any day on which the London Stock Exchange is open for the transaction of business

**Deferred Award** means the part of a Bonus delivered in the form of either a Conditional Award or an Option granted under Rule 4 (*Grant of Deferred Awards*)

**Directors' Remuneration Policy** means the directors' remuneration policy approved, from time to time, by the shareholders of the Company

**Dividend Equivalent** means a benefit calculated by reference to dividends paid on Shares as described in Rule 10.4 (*Dividend Equivalents*)

**Eligible Employee** means an employee (including an executive director) of a Group Company

**Employees' Share Scheme** means an employees' share scheme adopted by a Group Company where participation is offered to employees of one or more Group Companies

**Exercise Period** means, in respect of any Option, the period commencing on the date on which such Option Vests and ending on the tenth anniversary of the Grant Date (or such earlier date as the Committee may determine for such Option prior to the grant of the Option) subject to it lapsing earlier under Rule 16 (*Leavers*) or Rule 17 (*Takeovers and other corporate events*)

**Financial Year** means a financial year of the Company within the meaning of section 390 of the Companies Act 2006

**Fixed Pay** means basic salary plus a 12% pension allowance

**Good Leaver** means a Participant who ceases to be a director or employee of a Group Company as a result of:

- (a) ill-health or disability evidenced to the satisfaction of the Committee
- (b) retirement with the consent of the Committee
- (c) a transfer of the undertaking or part undertaking in which the Participant is employed to a person who is not a Group Company
- (d) the company by which the Participant is employed ceasing to be under the Control of the Company or
- (e) such other reason as the Committee (or its delegate) may in its discretion approve

**Grant Date** means the date on which an Award is granted

**Group Company** means:

- (a) the Company, any Subsidiary of the Company, a body corporate which is the Company's holding company (within the meaning of section 1159 of the Companies Act 2006) or a Subsidiary of the Company's holding company
- (b) a body corporate which is a subsidiary undertaking (within the meaning of section 1162 of the Companies Act 2006) of a body corporate within paragraph (a) above and has been designated by the Board for this purpose and
- (c) any other body corporate in relation to which a body corporate within paragraph (a) or (b) above is able (whether directly or indirectly) to exercise 20% or more of its equity voting rights and has been designated by the Board for this purpose

**Holding Period** means such period, if any, from the Vesting Date, as may be specified by the Committee under Rule 7.1(b) during which the Vested Shares may only be sold or transferred in accordance with Rule 12.3 (*Holding Period*)

**ITEPA** means the Income Tax (Earnings & Pensions) Act 2003

**Listing Rules** means the Listing Rules published by the United Kingdom Listing Authority or any successor body

**London Stock Exchange** means London Stock Exchange plc or any successor to that company

**MAR** means the retained EU law version of the Market Abuse Regulation (EU) 596/2014 which applies in the UK

**Market Value** means the market value of the Shares taken to be an amount equal to:

- (a) the middle-market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on the Dealing Day immediately prior to the relevant date;
- (b) if the Committee so determines, the average of the middle-market quotations of such Shares during a period determined by the Committee not exceeding the period of 5 Dealing Days ending with the Dealing Day immediately prior to the relevant date; or
- (c) such value of the Shares as the Committee reasonably determines,

provided that, for the purposes of Rule 3.1(c) and Rule 7.3 (*Individual limit*), Dealing Day(s) used to determine Market Value do not fall within any period when dealings in Shares are prohibited under the Company's share dealing code

**Option** means a conditional right to acquire Shares with a nil or nominal exercise price which is designated as an Option by the Committee under Rule 4.3 (*Type of Deferred Award*) or Rule 7.2 (*Type of Performance Award*)

**Participant** means a person who either (i) has been selected for participation in the Plan in accordance with Rule 2.1 (*Eligibility*) or (ii) who holds an Award, including their personal representatives, as the context requires

**Performance Award** means either a Conditional Award or an Option granted under Rule 7 (*Grant of Performance Awards*)

**Performance Condition** means the performance condition(s) imposed in relation to a Performance Award pursuant to Rule 8 (*Performance Condition*)

**Performance Period** means the period over which the Performance Condition must be satisfied, as determined by the Committee in accordance with Rule 7.1 (*Terms on grant*)

**Plan** means the Rathbones Group Plc Performance Share Plan as constituted by these Rules and as amended from time to time

**Plan Period** means the period starting on the Adoption Date and ending on the day before the tenth anniversary of that date

**Rule** means a rule of the Plan

**Shares** means fully paid ordinary shares in the capital of the Company

**Subsidiary** means a body corporate which is a subsidiary (within the meaning of section 1159 of the Companies Act 2006)

**Takeover Event** means where:

- (a) any person (or any group of persons acting in concert, as defined in the City Code on Takeovers and Mergers):
  - (i) obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company; or

- (ii) obtains Control of the Company as a result of making a general offer to acquire all the shares in the Company which are of the same class as the Shares; or
- (b) a compromise or arrangement is sanctioned by the Court under section 899 of the Companies Act 2006 in connection with which a person or persons obtain Control of the Company,

except where an offer is made or a compromise or arrangement is proposed which is expected to result in the Company becoming Controlled by a new company (**New Company**) and at least 75% of the shares in the New Company are expected to be held by substantially the same persons who immediately before the offer or proposal was made were shareholders in the Company

**Tax Liability** means any amount of tax, employee's national insurance contributions or other similar charges for which a Participant would or may be liable and for which any Group Company or former Group Company would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority, together with any related fines, penalties and interest

**Variation** means in relation to the equity share capital of the Company a capitalisation issue, a rights issue or open offer, a subdivision, a consolidation, reduction or other variation or any special dividend or dividend in specie, demerger or such other circumstances which affect the market price of Shares to a material extent as the Committee may determine

**Vest** means a Participant becoming entitled to have Shares issued or transferred to them (or their nominee) either without any further action by the Participant in the case of a Conditional Award or by exercising their Option over such Shares and **Vesting** shall be construed accordingly

**Vested Shares** means those Shares in respect of which an Award Vests

**Vesting Date** means the date on which an Award (or, if applicable, part of an Award) normally Vests in accordance with Rule 5.1 (*Timing of Vesting of Deferred Awards*) or Rule 9.1 (*Timing of Vesting of Performance Awards*)

- 1.2 Any reference in the Plan to any law includes a reference to that law as from time to time modified, extended or re-enacted.
- 1.3 Expressions in italics and headings are for guidance only and do not form part of the Plan.

## **PART A – BONUS PLAN**

### **2 Operation of the Bonus Plan**

#### **2.1 Eligibility**

Subject to the Rules, whether the Bonus Plan shall be operated in respect of any particular Financial Year, the identity of any Participants and the terms of their participation shall be determined by the Committee in its absolute discretion. The selection of an Eligible Employee to participate in the Bonus Plan (whether on one or more occasions) does not entitle that Eligible Employee to be considered for participation in the Bonus Plan on any other occasion.

#### **2.2 Notification of participation in the Plan**

The Committee will notify an Eligible Employee of their participation in the Bonus Plan in respect of a Financial Year at such time, and in such manner, as it may determine.

#### **2.3 Annual limit**

The maximum Bonus awarded to a Participant in respect of any Financial Year must not exceed 135% of the Participant's Fixed Pay in that Financial Year or such other limit as applies under the Directors' Remuneration Policy.

#### **2.4 Bonus Performance Conditions**

- (a) Subject to Rule 3.8 (*Adjustment to Bonus*), the amount of a Bonus (if any) to be awarded to a Participant will be determined by reference to the extent to which the relevant Bonus Performance Conditions for the relevant Financial Year have been satisfied and subject to any other conditions as determined by the Committee.
- (b) If an event occurs which causes the Committee to consider that any Bonus Performance Conditions and/or any other condition to which a Participant's participation in the Bonus Plan is subject is no longer appropriate, the Committee may substitute or vary that Bonus Performance Conditions and/or any other condition in such manner (and make such consequential amendments to the Rules) as:
  - (i) is reasonable in the circumstances; and
  - (ii) produces a more appropriate measure of performance and is materially no easier to satisfy than if the event had not occurred.
- (c) The Participant's participation in the Bonus Plan shall then take effect subject to the Bonus Performance Conditions and/or any other conditions as substituted or varied.
- (d) The Committee shall, as soon as practicable, notify each Participant concerned of any determination made by it under this Rule 2.4.

#### **2.5 Method of satisfying Bonus**

Before the amount of the Participant's Bonus has been determined in accordance with Rule 3.1 (*Committee determination*), the Committee shall, in its absolute discretion, determine the percentage of a Participant's Bonus which would be delivered as a Cash Bonus and the percentage (if any) which would be deferred and delivered in the form of a Deferred Award.

### **3 Determination of Bonus and payment of Cash Bonus**

#### **3.1 Committee determination**

- (a) As soon as practicable after the end of the Financial Year to which the Bonus relates the Committee shall determine the extent to which the Bonus Performance Conditions and any other conditions imposed under Rule 2.4(a) have been satisfied and, subject to Rule 3.8, the Committee shall determine the amount of a Participant's Bonus (if any)
- (b) When the Committee makes its determinations under (a) above, it shall also determine the amount of the Cash Bonus payable and the number of Shares subject to any Deferred Award (if any) (to be granted in accordance with Rule 4 (*Grant of Deferred Award*)).
- (c) Subject to Rule 10.4(b), the number of Plan Shares subject to a Participant's Deferred Award shall be calculated by dividing the amount of their Bonus to be deferred and granted as a Deferred Award by the Market Value of a Share on the Grant Date.

#### **3.2 Payment of Cash Bonus**

Subject to Rule 3.3, payment of any Cash Bonus shall be made as soon as practicable after the Committee has made its determinations under Rule 3.1.

#### **3.3 Requirement for employment**

Subject to Rule 3.4, a Cash Bonus will normally only be paid to a Participant if they are a director or employee of a Group Company, and they have not given or received notice of termination, as at the date of payment of the Cash Bonus, and any entitlement to receive a Bonus will immediately lapse on the Participant ceasing to be a director or employee of a Group Company (or on the giving or receipt of notice of such cessation).

#### **3.4 Good Leavers**

Notwithstanding Rule 3.3, if a Participant ceases to be a director or employee of a Group Company and is determined by the Committee to be a Good Leaver or has died, the Participant will continue to remain eligible to receive a Bonus, to be delivered at the same time and in the same manner as if the Participant had not so ceased (unless the Committee determines otherwise). In such circumstances, the amount of the Bonus will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Bonus relates until the date of cessation as a proportion of the relevant Financial Year, unless the Committee in its absolute discretion decides that such pro rata reduction will not apply (or will apply to a lesser extent).

#### **3.5 Meaning of ceasing employment**

A Participant shall not be treated for the purposes of this Rule 3 as ceasing to be a director or employee of a Group Company until such time as they are no longer a director or employee of any Group Company. If any Participant ceases to be such an employee in circumstances where they retain a statutory right to return to work then they shall be treated as not having ceased to be such an employee until such time (if at all) as they cease to have such a right to return to work.

### **3.6 Reason for termination of employment**

The reason for the termination of employment of a Participant shall be determined by reference to Rule 3.4 regardless of whether such termination was lawful or unlawful.

### **3.7 Tax deductions**

The payment of a Cash Bonus under Rule 3.2 will be made by payroll and subject to deductions of such amounts (on account of income tax, national insurance contributions, social security or similar liabilities) as may be required by law.

### **3.8 Adjustment to Bonus**

Notwithstanding the measurement of the Bonus Performance Conditions, if the Committee determines that:

- (a) the Company or any Group Company or business unit is subject to a material adverse event (for example, regulatory censure) or suffers a material failure of risk management;
- (b) there is reasonable evidence of misbehaviour or material error by the Participant;
- (c) the Company or any Group Company or business unit has suffered a material downturn in financial performance,

the Committee may, at any time before a Bonus becomes payable, reduce the amount of the Bonus payable or potentially payable to a Participant in whole or in part (including for the avoidance of doubt, to nil).

### **3.9 Impact of Takeover Event on Bonus**

If there is a Takeover Event, the Committee shall determine the extent to which the Bonus Performance Conditions and any other conditions imposed under Rule 2.4(a) have been satisfied as at the date of the Takeover Event, subject to any substitution or variation pursuant to Rule 2.4(b), and, subject to Rule 3.8, the Committee shall determine the amount of a Participant's Bonus (if any). In such circumstances, the amount of the Bonus will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Bonus relates until the date of the Takeover Event as a proportion of the relevant Financial Year, unless the Committee in its absolute discretion decides that such pro rata reduction will not apply (or will apply to a lesser extent) or a greater pro rata reduction applies under Rule 3.4.

If this Rule 3.9 applies, any Bonus will be paid solely in the form of a Cash Bonus, and will be paid within 14 days following the Takeover Event.

## **4 Grant of Deferred Awards**

### **4.1 Eligibility**

A Deferred Award may only be granted to an individual to whom the Committee has resolved to award a Bonus in accordance with Rule 3.1(a).

## 4.2 Terms on grant

As soon as practicable after the Committee has made its determination under Rule 3.1 (*Committee determination*), the Committee will grant a Deferred Award in accordance with the provisions of Rule 10 (*Grant of Awards*):

- (a) over such number of Shares determined in accordance with Rule 3.1(c);
- (b) on the terms set out in the Plan; and
- (c) on such additional terms or conditions as the Committee may specify,

to any individual who is eligible to be granted a Deferred Award under Rule 4.1.

Deferred Awards will not be subject to a Holding Period.

## 4.3 Type of Deferred Award

On or before the Grant Date the Committee shall determine, in addition to the matters referred to in Rule 4.2, whether a Deferred Award shall be an Option or a Conditional Award.

If the Committee does not specify the type of Deferred Award on or before the Grant Date, the Deferred Award will be a Conditional Award.

## 5 Vesting of Deferred Awards

### 5.1 Timing of Vesting of Deferred Awards

Unless the Committee determines otherwise when the Deferred Award is granted, a Deferred Award shall Vest as to one third of the Shares subject to it on each of the first, second and third anniversaries of the Grant Date, except where earlier Vesting occurs under Rule 16 (*Leavers*) or Rule 17 (*Takeovers and other corporate events*).

### 5.2 Reduction in Vested Shares

Prior to a Vesting Date, the Committee retains the absolute discretion to reduce the number of Shares subject to a Deferred Award that would otherwise Vest (including to zero), on an individual Participant by Participant basis:

- (a) where any of the circumstances set out in Rule 19.2 (*Events that lead to Malus or Clawback*) have occurred at any time after the start of the Financial Year preceding that in which the Deferred Award was granted; or
- (b) where the Company or any Group Company or business unit has suffered a material downturn in financial performance,

and the Deferred Award will lapse to the extent of any such reduction.

### 5.3 Decision binding

The determination of the Committee under Rule 5.2 shall be final and binding (save in the case of manifest error), and the Company and the Committee shall be under no liability to any person by reason of such determination.

## **PART B – PERFORMANCE AWARDS**

### **6 Eligibility**

Subject to Rule 7.3 (*Individual limit*), an individual is eligible to be granted a Performance Award in any Financial Year of the Company only if they are an Eligible Employee at the time of the grant of the Performance Award.

### **7 Grant of Performance Awards**

#### **7.1 Terms on grant**

The Committee may in its absolute discretion resolve that a Performance Award should be granted in accordance with the provisions of Rule 10 (*Grant of Awards*):

- (a) on the terms set out in the Plan;
- (b) over such number of Shares as the Committee may determine (and such determination may, for the avoidance of doubt take into account prior year business and personal performance);
- (c) with such Vesting Date(s) as the Committee may determine;
- (d) subject to such Performance Condition as the Committee may specify in accordance with Rule 8 (*Performance Condition*);
- (e) subject to such Holding Period (if any) as the Committee may specify;
- (f) on such additional terms or conditions as the Committee may specify,

to any Eligible Employee selected by the Committee who is eligible to be granted a Performance Award under Rule 6 (*Eligibility*).

Performance Awards granted to executive directors of the Company will be subject to the terms of the Directors' Remuneration Policy, including any Holding Period and/or Performance Condition prescribed therein. The Committee will have discretion whether to apply a Holding Period to Performance Awards granted to Eligible Employees who are not executive directors of the Company.

#### **7.2 Type of Performance Award**

On or before the Grant Date the Committee shall determine, in addition to the matters referred to in Rule 7.1, whether a Performance Award shall be an Option or a Conditional Award.

If the Committee does not specify the type of Performance Award on or before the Grant Date, the Performance Award will be an Option.

#### **7.3 Individual limit**

A Performance Award shall be limited and take effect so that immediately following such grant the Participant has not been granted, in respect of any Financial Year, Performance Awards over Shares with a total Market Value, measured on their Grant Dates, in excess of 200% of the Participant's Fixed Pay in that Financial Year or such other limit as applies under the Directors' Remuneration Policy.

## **8 Performance Condition**

### **8.1 Imposition of Performance Condition**

When granting an Award, the Committee shall impose one or more Performance Conditions.

### **8.2 Performance Condition can no longer be satisfied**

If the Committee determines that a Performance Condition cannot be satisfied, either in whole or in part in relation to an Award, the Award shall lapse to that extent immediately.

### **8.3 Substitution or variation of Performance Condition**

If an event occurs which causes the Committee to consider that the Performance Condition, or any condition imposed pursuant to Rule 7.1(f), subject to which the outstanding Award has been granted is no longer appropriate, the Committee may substitute or vary the Performance Condition or the condition in such manner (and make such consequential amendments to the Rules) as it considers:

- (a) is reasonable in the circumstances; and
- (b) produces a more appropriate measure of performance and is materially no easier to satisfy than if the event had not occurred,

and the outstanding Award shall then take effect subject to the Performance Condition or the condition as so substituted or varied.

### **8.4 Performance Condition on a corporate event**

If there is a corporate event within Rules 17.2 (*General offers*), 17.3 (*Schemes of arrangement and winding-up*) or 17.4 (*Demergers and similar events*), the Committee may in its absolute discretion vary the Performance Condition if it considers it appropriate to do so in the circumstances.

### **8.5 Notification of Participant**

The Committee shall, as soon as reasonably practicable, notify the Participant concerned of any determination made by it under Rule 8.2 or any substitution or variation of the Performance Condition under Rule 8.3 and explain how it affects their position under the Plan.

## **9 Vesting of Performance Awards**

### **9.1 Timing of Vesting of Performance Awards**

Unless the Committee determines a different Vesting Date when the Performance Award is granted, a Performance Award shall Vest on the third anniversary of the Grant Date (or such later date that the Committee makes its determination under Rule 9.2 (*Testing of the Performance Condition*)), except where earlier Vesting occurs under Rule 16 (*Leavers*) or Rule 17 (*Takeovers and other corporate events*).

### **9.2 Testing of the Performance Condition**

As soon as practicable after the end of the Performance Period or on such date as the Committee determines, the extent to which the Performance Condition has been satisfied shall be determined by the Committee and, subject to Rule 9.3 (*Reduction in Vested Shares*), the

number of Shares in respect of which the Performance Award Vests shall be determined. A Performance Award will lapse to the extent that the Committee determines the Performance Condition has not been satisfied.

### 9.3 **Reduction in Vested Shares**

Prior to a Vesting Date, the Committee retains the absolute discretion to reduce the number of Shares subject to a Performance Award that would otherwise Vest (including to zero) on an individual Participant by Participant basis:

- (a) where any of the circumstances set out in Rule 19.2 (*Events that lead to Malus or Clawback*) occur at any time after the start of the Financial Year preceding that in which the Performance Award was granted;
- (b) where the Company or any Group Company or business unit suffers a material downturn in financial performance;
- (c) for any other reason it considers appropriate, including, without limitation, where it considers that when assessing the overall total remuneration for that Participant, such Vesting outcome:
  - (i) is considered by the Committee to have delivered unjustified windfall gains to the Participant due to circumstances outside the Participant's control;
  - (ii) does not align to individual performance and results achieved by that individual;
  - (iii) would not deliver the intention of any applicable remuneration policy; and/or
  - (iv) is not reasonable and/or does not reflect the Participant's contribution due to unexpected or unforeseen circumstances. Such circumstances may include, but are not limited to: share price growth and currency fluctuations, the impact of a share repurchase scheme or a government support initiative,

and the Performance Award will lapse to the extent of any such reduction.

### 9.4 **Decision binding**

The determination of the Committee under Rule 9.2 and 9.3 above shall be final and binding (save in the case of manifest error), and the Company and the Committee shall be under no liability to any person by reason of such determination.

## **PART C – PERFORMANCE AWARDS AND DEFERRED AWARDS**

### **10 Grant of Awards**

#### **10.1 Timing of grant**

- (a) The Committee may decide, at its absolute discretion, when Awards should be granted. However, subject to Rule 10.1(b) and Rule 10.6, Awards may only be granted within the period of 42 days starting on:
  - (i) the Dealing Day after the Adoption Date;
  - (ii) the Dealing Day after the day on which the Company makes an announcement of its results for the last preceding Financial Year, half-year or other period; or
  - (iii) if Awards cannot be granted under (i) or (ii) due to restrictions on the grant of Awards under Rule 10.6, the Dealing Day after the day on which any such restrictions are lifted.
- (b) If the Committee considers that there are exceptional circumstances which justify the grant of Awards outside any of the periods set out in (a) above, the Committee may decide for the purpose of that grant that Awards may be granted at another time.
- (c) No Award may be granted after the expiry of the Plan Period.

#### **10.2 Method of grant**

- (a) An Award shall be granted so that it constitutes a binding contract between the Company and the Participant. A single deed of grant may be executed in favour of any number of Participants.
- (b) The Committee shall, within 30 days after the Grant Date, issue to each Participant an award certificate or other confirmation containing details of the Award (including, in the case of a Performance Award, the Performance Condition).

#### **10.3 Acceptance of Award**

It is a condition of the grant of any Award that the Participant signs an Award Acceptance declaring an irrevocable agreement to the Rules and, in particular, Rule 5.2 (*Reduction in Vested Shares*) or Rule 9.3 (*Reduction in Vested Shares*), and Rule 14 (*Restrictions on Vesting and exercise*) and Rule 19 (*Clawback*). Participants will be taken to have signed an Award Acceptance if they indicate their acceptance via an online portal or by any other method of electronic signature.

#### **10.4 Dividend Equivalents**

- (a) If the Committee determines on or before the Grant Date that this Rule 10.4 will apply in respect of a particular Award, a Participant (or their nominee) shall be entitled to Shares (or, if the Committee so determines, cash) of a value determined by reference to the dividends that would have been paid on their Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the Vesting Date (or where Shares under Option are subject to a Holding Period the earlier of the date of expiry of the Holding Period and the date of exercise of the Option). The Committee shall decide the basis on which the value of such dividends shall be calculated which

may assume the reinvestment of dividends and/or the inclusion or exclusion of any dividend tax credit. In giving effect to this Rule 10.4, the Committee shall have complete discretion to decide the basis on which the Dividend Equivalent should be calculated or paid.

- (b) If, due to regulatory restrictions, it is not permissible for an Award to benefit from an entitlement to Dividend Equivalents in accordance with (a) above, the Committee may in its absolute discretion, when determining the number of Shares subject to an Award granted under Rule 4.2 (*Terms on grant*) or Rule 7.1 (*Terms on grant*), calculate such number based on a share price which is discounted by reference to an expected dividend yield over the period between the Grant Date and the Vesting Date.

## 10.5 Method of satisfying Awards

Subject to Rule 15 (*Cash alternative*), unless specified otherwise by the Committee on or before the Grant Date, an Award may be satisfied by:

- (a) the issue and allotment of Shares; and/or
- (b) the transfer of treasury Shares; and/or
- (c) the transfer of Shares (other than the transfer of treasury Shares).

## 10.6 Approvals and consents

The grant of any Award shall be subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, MAR or any other applicable UK or overseas regulation or enactment.

## 10.7 Non-transferability and bankruptcy

An Award granted to any person shall lapse immediately if:

- (a) transferred, assigned, charged or otherwise disposed of (except on their death when it may be transmitted to their personal representatives); or
- (b) they are declared bankrupt (unless the Committee decides otherwise).

## 11 Plan limits

### 11.1 10% limit

The number of Shares which may be allocated, as defined in Rule 11.4, under the Plan on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Plan and any other Employees' Share Scheme operated by the Company (whether or not discretionary), exceed that number of Shares that represents 10% of the ordinary share capital of the Company in issue immediately prior to that day.

### 11.2 5% limit

The number of Shares which may be allocated, as defined in Rule 11.4, under the Plan on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Plan and any other Employees' Share Scheme adopted by the Company which is a discretionary share plan, exceed that number of Shares that represents 5% of the ordinary share capital of the Company in issue immediately prior to that day.

### 11.3 Exclusions from the limits

In calculating the limits in Rules 11.1 and 11.2, where:

- (a) the right to acquire any Shares was released or lapsed without being exercised; or
- (b) after the grant of an option, award or contractual right to acquire Shares the Committee determines that:
  - (i) it shall be satisfied by the payment of a cash equivalent; or
  - (ii) it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury); or
- (c) partnership shares are awarded under any tax advantaged share incentive plan under Schedule 2 of ITEPA operated by the Company,

such Shares will be disregarded.

### 11.4 Meaning of allocated

References to **allocated** Shares mean, in the case of any share option plan, the placing of unissued shares under option and, in relation to other types of Employees' Share Scheme, means the issue and allotment of Shares or transfer of Shares out of treasury (including any issue and allotment of Shares, or transfer of Shares out of treasury, to any trustees to satisfy the exercise of any option, award or contractual right granted under any Employees' Share Scheme unless such Shares are already treated as allocated under this Rule 11.4). However treasury shares shall cease to count as "allocated" for the purpose of Rule 11.4 if institutional investor guidelines cease to require them to be counted.

### 11.5 Adjustment to Shares to be taken into account

Where Shares which have been issued under the Plan or any other Employees' Share Scheme of the Company are to be taken into account for the purposes of the limits in Rules 11.1 and 11.2 and a Variation has taken place between the date of issue of those Shares and the date on which the limit is to be calculated, then the number of Shares taken into account for the purposes of the limit will be adjusted in the manner the Committee considers appropriate to take account of the Variation.

### 11.6 Effect of limits

Any Award shall be limited and take effect so that the limits in this Rule 11 are complied with.

## 12 Consequences of Vesting

### 12.1 Conditional Awards

Within 30 days of the Vesting Date of a Conditional Award (or as soon as reasonably practicable thereafter), the Board shall, subject to Rule 14.1 (*Regulatory and tax issues*) and Rule 14.3 (*Payment of Tax Liability*), procure the issue or transfer of the Vested Shares to the Participant (or a nominee for the Participant).

## 12.2 Options

- (a) An Option shall, subject to Rule 14.1 (*Regulatory and tax issues*) and Rule 14.3 (*Payment of Tax Liability*), be exercisable in respect of Vested Shares during the Exercise Period subject to it lapsing earlier under Rule 16 (*Leavers*) or Rule 17 (*Takeovers and other corporate events*). If not exercised during the Exercise Period the Option will lapse on the expiry of the Exercise Period.
- (b) If an Option cannot be exercised during the last 30 days of the Exercise Period because of any regulatory restrictions referred to in Rule 14.1 (*Regulatory and tax issues*), the Committee may extend the Exercise Period for such limited period as the Committee determines appropriate following the time at which such restrictions cease to apply.

## 12.3 Holding Period

- (a) If an Award is subject to a Holding Period, Vested Shares may not be sold, transferred, assigned, charged or disposed of during the Holding Period except:
  - (i) in order to pay a Tax Liability arising in respect of the Vested Shares;
  - (ii) in order to pay the exercise price payable on the exercise of an Option; or
  - (iii) otherwise as the Committee may, in its discretion, allow (and subject to any additional terms and conditions that the Committee may specify).
- (b) The Committee may impose terms and conditions on Vested Shares subject to a Holding Period, including that such Vested Shares should be held by a nominee appointed by the Company on the Participant's behalf, and a Participant may be required to enter into such documentation required by the Committee from time to time to give effect to the restrictions in this Rule 12.3.
- (c) If a Participant acquires further Shares by virtue of their holding of Vested Shares during the Holding Period, those newly acquired Shares will also be held subject to the terms of this Rule 12.3 as they apply to the original Vested Shares until the expiry of the Holding Period unless the Committee, in its discretion, determines otherwise.
- (d) Vested Shares will not be subject to any risk of forfeiture during the Holding Period other than in connection with the operation of Rule 19 (*Clawback*).

## 12.4 Provision of Dividend Equivalents

The provision of Dividend Equivalents to a Participant shall be made as soon as practicable after the issue or transfer of Vested Shares and:

- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable; or
- (b) in the case of a provision of Shares, Rule 12.3, Rule 14.1 (*Regulatory and tax issues*) and Rule 14.3 (*Payment of Tax Liability*) shall apply as if such provision was the Vesting of an Award.

## **13 Exercise of Options**

### **13.1 Exercise in whole or in part**

An Option must be exercised to the maximum extent possible at the time of exercise unless the Committee decides that a Participant may exercise their Option in respect of such fewer number of Shares as it decides.

### **13.2 Manner of exercise**

The exercise of any Option shall be effected in the form and manner prescribed by the Committee. Unless the Committee, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 14.1 (*Regulatory and tax issues*), take effect only when the Company receives it, together with, where applicable, payment relating to:

- (a) the exercise price payable on the exercise of the Option (if any), unless the Committee waives the requirement to pay such exercise price; and
- (b) any Tax Liability,

or an agreement to secure that such a payment is made under arrangements acceptable to the Committee.

### **13.3 Exercise Date**

If any conditions must be fulfilled before an Option may be exercised, the Option will not be validly exercised unless and until the Committee is satisfied that those conditions have been fulfilled. Otherwise, the exercise date will be the date of receipt of the items referred to in Rule 13.2.

### **13.4 Issue or transfer of Shares**

Subject to Rule 14.1 (*Regulatory and tax issues*) and Rule 14.3 (*Payment of Tax Liability*), Shares will be issued or transferred to a Participant (or their nominee) pursuant to the exercise of an Option within 30 days following the exercise date (or as soon as reasonably practicable thereafter).

## **14 Restrictions on Vesting and exercise**

### **14.1 Regulatory and tax issues**

An Award shall not Vest, and in the case of an Option which has Vested, shall not be exercised, unless and until the following conditions are satisfied:

- (a) the Vesting (or exercise) of the Award and the issue or transfer of Shares after such Vesting (or exercise) would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, MAR and any other relevant UK or overseas regulation or enactment;
- (b) if, on the Vesting (or exercise) of the Award, a Tax Liability would arise by virtue of such Vesting (or exercise) and the Committee decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 14.3, then the Participant must have entered into arrangements acceptable to the Committee that the relevant Group Company will receive the amount of such Tax Liability; and

- (c) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under section 431 ITEPA or any similar arrangements in any overseas jurisdiction.

For the purposes of this Rule 14.1, references to Group Company include any former Group Company.

#### **14.2 Tax Liability before Vesting**

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award then that Participant must enter into arrangements acceptable to any relevant Group Company to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient number of the Shares subject to their Award on their behalf to ensure that the relevant Group Company receives the amount required to discharge the Tax Liability and the number of Shares subject to their Award shall be reduced accordingly.

For the purposes of this Rule 14.2, references to Group Company include any former Group Company.

#### **14.3 Payment of Tax Liability**

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the Vesting of their Award (including, in the case of an Award that is an Option, on or following the exercise of the Option) on their behalf to ensure that any relevant Group Company or former Group Company receives the amount required to discharge the Tax Liability which arises on Vesting (or exercise) except to the extent that the Committee decides that all or part of the Tax Liability shall be funded in a different manner.

### **15 Cash alternative**

#### **15.1 Committee determination**

Where an Award Vests and Vested Shares have not yet been issued or transferred to the Participant (or their nominee), the Committee may determine that, in substitution for their right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of their right to acquire those Shares) they shall be paid a sum equal to the cash equivalent (as defined in Rule 15.3) of that number of Shares in accordance with the following provisions of this Rule 15.

#### **15.2 Limitation on the use of this Rule**

- (a) This Rule shall not apply in relation to Awards made in relation to any jurisdiction where the presence of this Rule would cause:
  - (i) the operation of this Rule to be unlawful or for it to fall outside any applicable securities law exemption; or
  - (ii) adverse tax consequences for the Participant or any Group Company as determined by the Committee.
- (b) If a Conditional Award is subject to a Holding Period, this Rule may only apply in respect of such number of Vested Shares as is sufficient to pay the Tax Liability that arises on the Vesting of the Conditional Award.

- (c) If an Option which is subject to a Holding Period is exercised prior to the expiry of the Holding Period, this Rule may only apply in respect of such number of Vested Shares as is sufficient to pay the Tax Liability that arises, and the exercise price payable (if any), on the exercise of the Option.

### 15.3 Cash equivalent

For the purpose of this Rule 15, the cash equivalent of a Share is the Market Value of a Share on:

- (a) in the case of a Conditional Award, the day when the Conditional Award Vests;
- (b) in the case of an Option, the day notice is validly given to exercise such Option in accordance with the Rules; or
- (c) such other date as the Committee may in its discretion determine,

each such date being a **Relevant Date**.

### 15.4 Payment of cash equivalent

As soon as reasonably practicable after the Relevant Date the Company shall pay to the Participant or procure the payment to them of the sum payable under Rule 15.3.

### 15.5 Deductions

There shall be deducted from any payment under this Rule 15 such amounts (on account of tax or similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable.

## 16 Leavers

### 16.1 Restriction for leavers

The Vesting of Awards and exercise of Options pursuant to Rules 16.2, 16.3, 16.4, 16.5 and 16.6 shall be subject to Rule 9.2 (*Testing of the Performance Condition*) and Rule 9.3 (*Reduction in Vested Shares*), Rule 14.1 (*Regulatory and tax issues*) and Rule 17 (*Takeovers and other corporate events*).

### 16.2 Death

- (a) If a Participant dies before the Vesting Date, then:
  - (i) unless the Committee determines otherwise, their Award shall Vest as soon as reasonably practicable after the Participant's death, and, in respect of a Performance Award (but not a Deferred Award), taking into account (to the extent that the Committee determines):
    - (A) the extent to which the Performance Condition has been satisfied at the date of death; and
    - (B) unless the Committee determines otherwise, the period of time that has elapsed since the Grant Date until the date of death (or such other relevant period as the Committee may determine) as a proportion of the three year period (or other period applicable pursuant to Rule 9.1

(*Timing of Vesting of Performance Awards*) between the Grant Date and the Vesting Date; and

- (ii) any Vested Shares will not be subject to a Holding Period.
- (b) If a Participant holding an Award in the form of an Option dies prior to exercising the Option, their personal representatives shall be entitled to exercise their Option to the extent that it has Vested at any time during the twelve month period following the Participant's death, or such longer period as the Committee may determine. If not so exercised, the Option shall lapse at the end of the twelve month or longer period.
- (c) If a Participant dies during a Holding Period, the Holding Period shall automatically cease to apply.

### 16.3 **Good Leavers before the Vesting Date**

- (a) If a Participant ceases to be a director or employee of a Group Company before the Vesting Date in circumstances where the Participant is a Good Leaver, the Participant's Award shall not lapse and shall Vest on the relevant Vesting Date(s) unless the Committee, in its absolute discretion, determines that an Award will Vest on such other date on or following the Participant's cessation as it may specify.
- (b) In respect of a Performance Award (but not a Deferred Award), the number of Shares in respect of which the Award shall Vest under Rule 16.3(a) shall be determined by the Committee in its discretion, taking account of:
  - (i) the extent to which the Performance Condition is satisfied at the Vesting Date, or as appropriate, at the date of cessation of office or employment; and
  - (ii) unless the Committee determines otherwise, the period of time that has elapsed since the Grant Date until the date of cessation of office or employment (or such other relevant period as the Committee may determine) as a proportion of the three year period (or other period applicable pursuant to Rule 9.1 (*Timing of Vesting of Performance Awards*)) between the Grant Date and the Vesting Date.
- (c) If (a) above applies and the Award is in the form of an Option, the Participant may exercise the Option in respect of the Vested Shares from the date the Option Vests until six months (or such other period as the Committee may determine) after either:
  - (i) the date the Option Vests (if the Option is not subject to a Holding Period) or:
  - (ii) the expiry of any applicable Holding Period,and if the Option has not been exercised at the end of the relevant period it will lapse.
- (d) If (a) above applies, and an Award was granted subject to a Holding Period, any Vested Shares will be subject to the Holding Period (other than in exceptional circumstances as determined by the Committee).

### 16.4 **Leavers during the Holding Period**

Unless the Committee determines otherwise, if an Award is subject to a Holding Period and a Participant ceases to be a director or employee of a Group Company during the Holding Period (save as a result of the death of the Participant):

- (a) the Vested Shares will continue to be subject to the Holding Period; and
- (b) save in the case of dismissal for misconduct, any unexercised Option held by the Participant must be exercised within six months of the expiry of the Holding Period (or such other period as the Committee may determine). If the Option has not been exercised at the end of this period it will lapse.

#### **16.5 Other leavers before the Vesting Date and dismissal for misconduct**

If a Participant ceases to be a director or employee of a Group Company (or gives or receives notice of such cessation):

- (a) before the Vesting Date due to any reason other than death or those which would make the Participant a Good Leaver; or
- (b) at any time due to dismissal for misconduct,

the Award shall lapse immediately on the date of cessation (or, if earlier, the date notice is given or received unless the Committee determines otherwise).

#### **16.6 Leavers in other circumstances**

Unless the Committee determines otherwise, if a Participant ceases to be a director or employee of a Group Company (save as a result of the death of the Participant or dismissal for misconduct) at any time after:

- (a) the expiry of the Holding Period (if the Award was subject to a Holding Period); or
- (b) the Vesting Date (if the Award was not subject to a Holding Period),

any unexercised Option held by the Participant must be exercised within six months of the date of cessation (or such other period as the Committee may determine). If the Option has not been exercised at the end of this period it will lapse.

#### **16.7 Meaning of ceasing employment**

A Participant shall not be treated for the purposes of this Rule 16 as ceasing to be a director or employee of a Group Company until such time as they are no longer a director or employee of any Group Company. If any Participant ceases to be such an employee in circumstances where they retain a statutory right to return to work then they shall be treated as not having ceased to be such an employee until such time (if at all) as they cease to have such a right to return to work.

#### **16.8 Reason for termination of employment**

The reason for the termination of employment of a Participant shall be determined by reference to Rules 16.3 to 16.5 regardless of whether such termination was lawful or unlawful.

### **17 Takeovers and other corporate events**

#### **17.1 Restriction on takeovers**

- (a) The Vesting of Awards and exercise of Options pursuant to Rules 17.2, 17.3 and 17.4 shall be subject to Rule 9.3 (*Reduction in Vested Shares*), Rule 14.1 (*Regulatory and tax issues*) and Rule 17.5.
- (b) In the event that any of the circumstances in Rules 17.2, 17.3 or 17.4 apply, then any Holding Period in respect of any Award affected by such circumstances shall not apply.

## 17.2 General offers

- (a) If any person (or any group of persons acting in concert, as defined in the City Code on Takeovers and Mergers):
  - (i) obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company; or
  - (ii) obtains Control of the Company as a result of making a general offer to acquire all the shares in the Company which are of the same class as the Shares,

the Committee shall, within seven days of becoming aware of that event, notify every Participant of it and all Awards shall Vest (to the extent permitted under Rule 17.2(b)(i) and (ii) below) on the date of such event if they have not then Vested and any Option may be exercised at any time during the period of one month after that date (or, if shorter, at any time until the end of the Exercise Period). Any Option not exercised within this period shall lapse immediately upon the expiry of the period.

- (b) In respect of a Performance Award (but not a Deferred Award), the number of Shares in respect of which the Performance Award Vests in accordance with (a) above shall be determined:
  - (i) unless the Performance Period has already ended at the date of the relevant event (in which case the number of Shares in respect of which the Performance Award Vests shall be determined in accordance with in accordance with Rule 9.2 (*Testing of the Performance Condition*), by the extent to which the applicable Performance Condition and any condition imposed pursuant to Rule 7.1(f) has been satisfied at the date of the relevant event (or on such other date as the Committee may determine); and
  - (ii) unless the Committee determines otherwise or the Committee has already made a determination in respect of a Performance Award held by a Good Leaver pursuant to Rule 16.3(b)(ii) or pursuant to Rule 16.2(a)(i)(B), by the Committee taking account of the period of time that has elapsed since the Grant Date until the date of the relevant event (or such other relevant period) as a proportion of the three year period (or other period applicable under Rule 9.1 (*Timing of Vesting of Performance Awards*)) between the Grant Date and the Vesting Date.

## 17.3 Schemes of arrangement and winding-up

- (a) In the event that:
  - (i) a compromise or arrangement is sanctioned by the Court under section 899 of the Companies Act 2006 in connection with which a person or persons obtain Control of the Company; or

- (ii) the Company passes a resolution for a voluntary winding up of the Company;  
or
- (iii) an order is made for the compulsory winding-up of the Company,

the Committee shall, within seven days of becoming aware of that event, notify every Participant of it and all Awards shall Vest (to the extent permitted under Rule 17.3(b)(i) and (ii) below) on the date of such event if they have not then Vested and any Option may be exercised at any time during the period of one month after that date (or, if shorter, at any time until the end of the Exercise Period). Any Option not exercised within this period shall lapse immediately upon the expiry of the period.

- (b) In respect of a Performance Award (but not a Deferred Award), the number of Shares in respect of which the Award Vests in accordance with (a) above shall be determined:
  - (i) unless the Performance Period has already ended at the date of the relevant event (in which case the number of Shares in respect of which the Performance Award Vests shall be determined in accordance with in accordance with Rule 9.2 (*Testing of the Performance Condition*), by the extent to which the applicable Performance Condition and any condition imposed pursuant to Rule 7.1(f) has been satisfied at the date of the relevant event (or on such other date as the Committee may determine; and
  - (ii) unless the Committee determines otherwise or the Committee has already made a determination in respect of a Performance Award held by a Good Leaver pursuant to Rule 16.3(b)(ii) or pursuant to Rule 16.2(a)(i)(B), by the Committee taking account of the period of time that has elapsed since the Grant Date until the date of the relevant event (or such other relevant period) as a proportion of the three year period (or other period applicable under Rule 9.1 (*Timing of Vesting of Performance Awards*)) between the Grant Date and the Vesting Date.

#### 17.4 Demergers and similar events

- (a) If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that the following provisions shall apply:
  - (i) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that their Award Vests (to the extent permitted under Rule 17.4(b)(i) and (ii) below) and, if the Award was in the form of an Option, that the Option may be exercised, on such terms as the Committee may determine and during such period preceding the relevant event or on the relevant event as the Committee may determine;
  - (ii) if an Award Vests conditional upon the relevant event and such event does not occur then the conditional Vesting and/or exercise shall not be effective and the Award shall continue to subsist; and
  - (iii) if an Award is an Option that becomes exercisable in accordance with this Rule 17.4 but is not exercised during the relevant period determined by the Committee, the Option shall lapse immediately on the expiry of such period.

- (b) In respect of a Performance Award (but not a Deferred Award), the number of Shares in respect of which the Award Vests in accordance with (a) above shall be determined by:
- (i) unless the Performance Period has already ended at the date of the relevant event (in which case the number of Shares in respect of which the Performance Award Vests shall be determined in accordance with in accordance with Rule 9.2 (*Testing of the Performance Condition*), by the extent to which the applicable Performance Condition and any condition imposed pursuant to Rule 7.1(f) has been satisfied at the date of the relevant event (or on such other date as the Committee may determine); and
  - (ii) unless the Committee determines otherwise or the Committee has already made a determination in respect of a Performance Award held by a Good Leaver pursuant to Rule 16.3(b)(ii) or pursuant to Rule 16.2(a)(i)(B), by the Committee taking account of the period of time that has elapsed since the Grant Date until the date of the relevant event (or such other relevant period) as a proportion of the three year period (or other period applicable under Rule 9.1 (*Timing of Vesting of Performance Awards*)) between the Grant Date and the Vesting Date.

#### 17.5 **Compulsory rollover of Awards**

If:

- (a) an offer (as referred to in Rule 17.2) is made or a compromise or arrangement (as referred to in Rule 17.3) is proposed which is expected to result in the Company becoming Controlled by a new company (**New Company**); and
- (b) at least 75% of the shares in the New Company are expected to be held by substantially the same persons who immediately before the offer or proposal was made were shareholders in the Company,

then, unless the Committee determines otherwise, an Award shall not Vest under Rule 17.2 or Rule 17.3 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces, except that it will be over shares in the New Company or some other company.

The Rules will apply to any new award granted under this Rule 17.5 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award. Any Holding Period shall continue to apply to the new award unless otherwise determined by the Committee.

#### 18 **Adjustment of Awards**

In the event of a Variation the Committee may make such adjustments as it considers appropriate to the number of Shares comprised in an Award and, in the case of an Option, any exercise price.

## PART D – GENERAL

### 19 Clawback

#### 19.1 Applicability of Clawback

This Rule 19 shall apply to Awards regardless of any other provisions of the Plan.

#### 19.2 Events that lead to Malus or Clawback

The Committee may decide at any time within the seven year period commencing on an Award's Grant Date and/or the payment of a Cash Bonus (or at any time within such other period as the Committee specifies at the time of the grant of an Award) that the individual to whom the Award was granted or the Cash Bonus was paid (the **Relevant Individual**) shall be subject to an obligation to repay the amounts referred to in Rule 19.3 (referred to as **Clawback**) if the Committee forms the view that:

- (a) there has been a material misstatement (including any omission) in the Company's financial statements and such misstatement resulted either directly or indirectly in:
  - (i) the Committee granting the Award when it would not otherwise have done so had that misstatement not been made;
  - (ii) the Award being granted over a greater number of Shares than would have otherwise been the case had that misstatement not been made;
  - (iii) the Cash Bonus being larger than would have otherwise been the case had that misstatement not be made; and/or
  - (iv) in the case of an Award that has already Vested, the Award having Vested in respect of a greater number of Shares than would otherwise have been the case had that misstatement not been made;
- (b) in assessing any metric and/or any other condition imposed on the Award in relation to which the Award was granted or Vested and/or Cash Bonus paid such assessment was based on an error, or on inaccurate or misleading information or assumptions (**Assessment Error**) and that such error, information or assumptions resulted either directly or indirectly in:
  - (i) the Committee granting the Award when it would not otherwise have done so had that Assessment Error not been made;
  - (ii) the Award being granted over a greater number of Shares than would otherwise have been the case had that Assessment Error not been made;
  - (iii) the Cash Bonus being larger than would have otherwise been the case had that Assessment Error not been made; and/or
  - (iv) in the case of an Award that has already Vested, the Award having Vested in respect of a greater number of Shares than would otherwise have been the case had that Assessment Error not been made;
- (c) the Relevant Individual ceases to be a director or employee of a Group Company (as defined in Rule 16.7 (*Meaning of ceasing employment*)) as a result of misconduct on the part of that individual or the Committee is of the view that the Relevant Individual could

have been summarily terminated by reason of their misconduct in each case in relation to an act or acts occurring at any time after the start of the Financial Year preceding that in which the Award was granted and/or the Cash Bonus was paid; and/or

- (d) the Company (or any Group Company or business unit):
  - (i) is subject to a material adverse event (for example, regulatory censure); or
  - (ii) suffers a material failure of risk management,  
as determined by the Committee;
- (e) there is reasonable evidence of misbehaviour or material error by the Relevant Individual at any time after the start of the Financial Year preceding that in which the Award was granted and/or the Cash Bonus was paid;
- (f) the Company has suffered an instance of corporate failure which has resulted in the appointment of a liquidator or administrator or resulted in the Company reaching a compromise arrangement with its creditors.

### 19.3 Amount to be subject to Clawback

The Committee shall determine the amount to be subject to Clawback which:

- (a) where Rule 19.2(a) and/or 19.2(b) applies, shall be all or part of the additional value or Shares which the Committee considers was granted under the Award and/or paid as the Cash Bonus and/or was otherwise received by the Relevant Individual in the circumstances referred to in those Rules; and
- (b) where one of Rules 19.2(c), 19.2(d), 19.2(e) or 19.2(f) applies, shall be all or part of the Cash Bonus paid or the value of Shares delivered which the Committee determines.

Any determinations under this Rule 19.3 shall be on such basis as the Committee reasonably decides, taking account of all circumstances that the Committee considers to be relevant.

### 19.4 Satisfaction of Clawback

Any Clawback shall be satisfied by one or more of the following methods:

- (a) the Committee may reduce (including, if appropriate, reducing to zero) any of the following elements of the remuneration of the Relevant Individual:
  - (i) the amount or size of any future awards which would, but for the operation of the Clawback, be payable or awarded to the Relevant Individual under any incentive plan operated by any Group Company; and/or
  - (ii) the number of Shares subject to any subsisting Award under the Plan and/or other award (either unvested or vested but unexercised, as relevant) held by the Relevant Individual under the Plan and/or any other employees' share plan or share award arrangement (except for any award which is tax-advantaged pursuant to Schedules 2 to 5 inclusive of ITEPA) notwithstanding the extent to which any performance condition and/or any other condition imposed on any such Award and/or other award (as relevant) has been satisfied;

- (b) the Committee may require the Relevant Individual to transfer Shares to an employee benefit trust for no consideration; and/or
- (c) the Committee may require the relevant individual to pay to such Group Company as the Committee may direct, and on such terms as the Committee may direct (including, but without limitation, on terms that the relevant amount is to be deducted or withheld from the Relevant Individual's salary or from any other payment to be made to the Relevant Individual by any Group Company), such amount as is required for the Clawback to be satisfied in full.

#### **19.5 Reduction in Share Awards to give effect to malus and clawback provisions in other plans**

The Committee may decide at any time to reduce the number of Shares subject to an Award (including, if appropriate, reducing to zero) to give effect to malus and clawback provisions of any form and/or name contained in any incentive plan or bonus plan operated by any Group Company. The value of the reduction shall be in accordance with the terms of the relevant provisions of the relevant plan or, in the absence of any such term, on such basis as the Committee, acting fairly and reasonably, decides is appropriate.

#### **19.6 No obligation to treat all Awards or Participants in the same way**

For the avoidance of doubt, the Committee is not obliged to determine that Clawback will apply in relation to any particular Award, even if the Committee does determine that Clawback will apply in relation to other Awards that were held by the same or other Participants which had the same Grant Date or Vesting Date.

### **20 Amendments**

#### **20.1 General rule on amendments**

Except as described in Rule 20.2 and 20.3, the Committee may at any time amend the Plan or the terms of any Award.

#### **20.2 Shareholder approval**

Without the prior approval of the Company in a general meeting, no amendment to the Plan which is to the advantage of a Participant or an Eligible Employee may be made if such amendment relates to:

- (a) eligibility;
- (b) the overall limits on the issue of Shares or transfer of treasury shares under the Plan;
- (c) the maximum entitlement for any one Participant.
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares (or cash) provided under the Plan;
- (e) any adjustment of Awards on a Variation; and
- (f) the terms of this Rule 20.2;

except for:

- (i) an amendment which is of a minor nature and benefits the administration of the Plan; or
- (ii) an amendment which is necessary or desirable in order to take account of a change in legislation, including overseas legislation, or to take advantage of any change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Participant, the Company or some other Group Company.

### 20.3 **Amendments to the disadvantage of Participants**

No amendment to the material disadvantage of Participants shall be made under Rule 20.1 unless:

- (a) the Committee shall have invited every affected Participant to indicate whether or not they approve the amendment; and
- (b) the amendment is approved by a majority of those Participants who have given such an indication.

## 21 **Overseas plans**

The Committee may establish sub-plans or schedules to the Plan, with any such sub-Plan or schedule to be similar to the Plan but modified to take account of local tax, exchange controls or securities laws and provided that any Shares made available under such further sub-plans or schedules are treated as counting against the limits on individual and overall participation in the Plan.

## 22 **Employment rights**

### 22.1 **Employment**

The rights and obligations of any Participant under the terms of their office or employment with the Company (or any Group Company or former Group Company) shall not be affected by being a Participant. Nothing in this Plan confers upon the Participant any right to continue in the employment of the Company (or any Group Company or former Group Company), or will affect the right of the Company (or any Group Company or former Group Company) to terminate the employment of the Participant.

### 22.2 **Benefits not pensionable**

The value of any benefit realised under the Plan by Participants shall not be taken into account in determining any pension or similar entitlements.

### 22.3 **No consequential losses on termination**

Participants shall have no rights to compensation or damages from the Company, any Group Company or any former Group Company on account of any loss in respect of Awards where such loss arises (or is claimed to arise), in whole or in part, from:

- (a) termination of office or employment with; or
- (b) notice to terminate office or employment given by or to,

the Company, any Group Company or any former Group Company. This exclusion of liability shall apply however termination of office or employment, or the giving of notice, is caused and however compensation or damages may be claimed.

#### **22.4 No consequential losses on transfer of employer**

Participants shall have no rights to compensation or damages from the Company, any Group Company or any former Group Company on account of any loss in respect of Awards where such loss arises (or is claimed to arise), in whole or in part, from:

- (a) any company ceasing to be a Group Company; or
- (b) the transfer of any business from a Group Company to any person that is not a Group Company.

This exclusion of liability shall apply however the change of status of the relevant Group Company, or the transfer of the relevant business, is caused, and however compensation or damages may be claimed.

#### **22.5 No expectation of grant**

The granting of an Award on a particular basis or to a particular Participant in any year does not create any right or expectation of the grant of Awards on the same basis, or at all, or to any particular individual in that or any subsequent year.

### **23 Miscellaneous**

#### **23.1 Disputes**

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons.

#### **23.2 Exercise of powers and discretions**

The exercise of any power or discretion by the Committee shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise of or omission to exercise any such power or discretion.

#### **23.3 Share rights**

Where Vested Shares are issued or transferred to Participants (or their nominee), Participants shall be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such issue or transfer.

#### **23.4 Notices**

Any notice or other communication under or in connection with the Plan may be given:

- (a) by personal delivery or by post, in the case of a company to its registered office, and in the case of an individual to their last known address, or, where they are a director or employee of a Group Company, either to their last known address or to the address of the place of business at which they perform the whole or substantially the whole of the duties of their office or employment;

- (b) in an electronic communication to their usual business address or such other address for the time being notified for that purpose to the person giving the notice; or
- (c) by such other method as the Committee determines.

### 23.5 **Third parties**

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan, save for any company whose shares are subject to any new award under Rule 17.5 (*Compulsory rollover of Awards*) and any Group Company or former Group Company for the purposes of Rule 22 (*Employment rights*).

### 23.6 **Data protection**

As part of the Plan, the Company will process personal data about Participants from time to time. The Company will process such personal data in accordance with applicable data protection legislation and in accordance with its Data Protection Policy (as amended from time to time) and Employee Privacy Notices issued to employees. The latest version of the Employee Privacy Notice can be found on the Company's intranet.

### 23.7 **Governing law**

The Plan and all Awards shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.